

## Fact Sheet

June 2002

## ***Environmental Quality Incentives Program***

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### ***Overview***

The Environmental Quality Incentives Program (EQIP) is a voluntary conservation program that promotes agricultural production and environmental quality as compatible National goals. Through EQIP, farmers and ranchers may receive financial and technical help to install or implement structural and management conservation practices on eligible agricultural land.

EQIP was reauthorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill). The Natural Resources Conservation Service (NRCS) administers EQIP. Funding for EQIP comes from the Commodity Credit Corporation.

### ***How EQIP Works***

EQIP activities are carried out according to an EQIP plan of operations developed in conjunction with the producer. Contracts for confined livestock feeding operations require development and implementation of a comprehensive nutrient management plan (CNMP). This plan is approved by the local conservation district. Practices are subject to NRCS technical standards adapted for local conditions. Farmers and ranchers may elect to use an approved third-party provider for technical assistance.

EQIP applications are accepted throughout the year. NRCS evaluates each application using a state and locally developed evaluation process. Higher priorities are given to applications that encourage the use of cost-effective conservation practices, address National conservation priorities, and optimize environmental benefits.

State Technical Committees, Tribal representatives, and local working groups convened by the conservation district advise NRCS on implementation of the program to address identified resource needs and concerns.

EQIP may pay up to 75 percent of the costs of certain conservation practices important to improving and maintaining the health of natural resources in the area. Incentive payments may be made to encourage a producer to adopt land management practices, such as nutrient management, manure management, integrated pest management, irrigation water management, and wildlife habitat management, or to develop a CNMP and components of a CNMP. Limited resource farmers and beginning farmers may be eligible for up to 90 percent of the cost of conservation practices.

EQIP offers contracts with a minimum term of one year after implementation of the last scheduled practice and a maximum term of ten years. These contracts provide incentive payments and cost share payments for implementing conservation practices.

Total cost-share and incentive payments are limited to \$450,000 per individual over the period of the 2002 Farm Bill, regardless of the number of farms or contracts. Starting in fiscal year 2003, no individual or entity may receive EQIP payments in any crop year in which the individual or entity's average adjusted gross income for the preceding three years exceeds \$2.5 million, unless 75 percent of that income is from farming, ranching, or forestry interests.

### ***Conservation Innovation Grants***

EQIP provides opportunities for Conservation Innovation Grants, which are competitive grant awards to stimulate innovative approaches to environmental enhancement and protection, in conjunction with agricultural production.

The Secretary of Agriculture is authorized to use EQIP funds each fiscal year from 2003 to 2007 to award grants to government or non-government organizations or individuals that leverage Federal funds to implement innovative approaches to conservation. Grant amounts may not exceed 50 percent of the total cost of each project.

Conservation Innovation Grants provide the opportunity for the U.S. Department of Agriculture (USDA) to work with other public and private entities to accelerate technology transfer and implementation of promising technologies to address the Nation's most pressing agricultural related natural resource problems. Agricultural producers, particularly those facing the most difficult challenges, will benefit by having more options for enhancing the environment and meeting Federal, State, and local regulations.

### ***Ground and Surface Water Conservation***

EQIP provides for additional funding specifically to promote ground and surface water conservation activities to improve irrigation systems; convert to the production of less water intensive agricultural commodities; improve water storage through measures such as water banking and groundwater recharge; or institute other measures that improve groundwater and surface water conservation, as determined by the Secretary.

Assistance to a producer may be provided only to facilitate a conservation measure that results in a net savings in groundwater or surface water resources in the agricultural operation of the producer. This provision is funded for fiscal years 2002 through 2007.

### ***Eligibility***

Producers engaged in livestock or crop production on eligible land may apply for the program. Eligible land includes cropland; rangeland; pasture; private non-industrial forestland; and other farm or ranch lands, as determined by the Secretary.

### ***For More Information***

If you need more information about EQIP, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. Information also is available on the World Wide Web at:  
<http://www.nrcs.usda.gov/programs/farmbill/2002/>



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